

STATE OF HAWAII
Accounting Manual

Volume III

Part 300: Deductions from Gross Payroll

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SECTION 328: U.S. CIVIL SERVICE RETIREMENT CONTRIBUTIONS

General Comments

This section deals with retirement contributions by State employees who have been given federal appointments and are engaged in joint Cooperative Extension Service employment for the U.S. Department of Agriculture.

As a general rule, such State employees are required to become members of the U.S. Civil Service Retirement System, and they are not eligible for membership in the Employees' Retirement System of the State of Hawaii. There are, however, prevailing exceptions to this general rule wherein certain employees have been admitted by earlier rulings to membership in both retirement systems. Members of the U.S. Civil Service Retirement System are not subject to social security (FICA) coverage.

The amount of retirement contribution withheld is set by law or regulation and is based on a percent of the employee's basic salary. Pamphlet 18, "Your Retirement System", published by the U.S. Civil Service Commission explains the operations of the system and the benefits derived, based on the provisions of the Federal Civil Service Retirement Law.

Legal Provisions

The U.S. Civil Service Act, as amended, is the legislation underlying the rules and regulations promulgated by the U.S. Civil Service Commission, who is the administrator of the Act.

Form

The PAYROLL ASSIGNMENT REGISTER (U.S. CIVIL SERVICE RETIREMENT CONTRIBUTIONS), a computer printout that lists names and retirement contribution amounts, is the "form" that is used in the following procedures. Refer to the Appendix for the above "form" and its related instructions.

Procedures

The General Statutory Deduction Procedures as presented in SECTION 320: STATUTORY DEDUCTIONS are followed in processing U.S. Civil Service Retirement Contributions applications, changes, or cancellation of assignments.

Exceptions to the General Statutory Deduction Procedures are as follows:

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Procedures (cont'd.)

I. DEPARTMENTAL:

A. Preparation, Review, and Routing of the Form.

1. Copy #2 of the prior payroll period's PAYROLL ASSIGNMENT REGISTER (U.S. CIVIL SERVICE RETIREMENT CONTRIBUTIONS) is the source document from which retirement contribution amounts for each employee are obtained. Using this "form", the responsible departmental office performs the following tasks:
 - a. Lines out information which is intended to be deleted in its entirety;
 - b. Lines out information which has been superseded and inserts the corresponding changes;
 - c. Inserts new information, for additions to the register, in alphabetical order, by name;
 - d. For registers resulting from the first pay period of the month, lines out the columnar heading "1st Half" and inserts above it the wording "2nd Half";
 - e. For registers resulting from the second pay period of the month, lines out the columnar heading "2nd Half"; and inserts above it the wording "1st Half".
2. The foregoing "form" is submitted to Central Payroll by 4:30 p.m. of the 6th work day before pay day.

B. Receipt and Disposition of the PAYROLL ASSIGNMENT REGISTER (U.S. CIVIL SERVICE RETIREMENT CONTRIBUTIONS).

At the end of each pay period, copies #2 and #3 of the PAYROLL ASSIGNMENT REGISTER (U.S. CIVIL SERVICE RETIREMENT CONTRIBUTIONS) are received from Central Payroll and distributed as follows:

1. Copy #2 is the "form" used to report changes, additions, or deletions in the subsequent payroll period as explained in paragraphs I.A., above. It is sent to Central Payroll, according to time schedules mentioned above, where it is eventually filed.
2. Copy #3 is used at the discretion of the employing department or agency.

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